

**MINUTES
CITY OF ST. CHARLES
GOVERNMENT OPERATIONS COMMITTEE
ALD. RON SILKAITIS, CHAIR
MONDAY, NOVEMBER, 2021**

1. Call to Order

The meeting was called to order by Chairman Silkaitis at 7:26 pm.

2. Roll Call

Present: Ald. Balla, Ald. Payleitner, Ald. Bongard, Ald. Bancroft, Ald. Lencioni,
Ald. Pietryla, Ald. Wirball, Ald. Bessner, Ald. Weber

Absent: None

3. Omnibus Vote

Items with an asterisk (*) are considered to be routine matters and will be enacted by one motion. There will be no separate discussion on these items unless a council member/citizen so requests, in which event the item will be removed from the consent agenda and considered in normal sequence on the agenda.

4. Fire Department

***a. Recommendation to approve the purchase of 11 sets of firefighting bunker coats and pants PPE in the amount of \$29,425.00 from Air One Equipment, Inc.**

Motion by Ald. Weber, second by Ald. Lencioni to approve the omnibus items.

Roll Call: Ayes: Ald. Pietryla, Ald. Wirball, Ald. Bessner, Ald. Weber, Ald. Balla, Ald. Payleitner, Ald. Bongard; Ald. Bancroft, Ald. Lencioni. Nays: None. Chairman Silkaitis did not vote as Chair.
Motion Carried.

5. Human Resources Department

a. Recommendation to approve a Letter of Engagement with Clark Hill to provide representation and legal advice for the City of St. Charles in a police pension application matter.

Human Resources Director Jenn McMahon explained that in August of 2021, the City Council approved an engagement letter from Heinzelman Law. The attorney working on this specific issue has joined the law firm of Clark Hill, and we issued a new engagement letter. There is no change to the hourly rate or estimated cost. Attorney Peppers and Director McMahon recommend approval.

Ald. Wirball stated that he's not familiar with the case and would like an executive session scheduled sometime soon to receive the details.

Motion by Ald. Wirball, second by Ald. Pietryla to approve the Recommendation to approve a Letter of Engagement with Clark Hill to provide representation and legal advice for the City of St. Charles in a police pension application matter.

Roll Call: Ayes: Ald. Pietryla, Ald. Wirball, Ald. Bessner, Ald. Weber, Ald. Balla, Ald. Payleitner, Ald. Bongard; Ald. Bancroft, Ald. Lencioni. Nays: None. Chairman Silkaitis did not vote as Chair.

Motion Carried.

6. Finance Department

a. Recommendation to authorize the Assistant Finance Director to execute the risk insurance program renewal for the year beginning December 1, 2021 in the amount of \$845,794.

Assistant Finance Director Colleen Lavery presented a recommendation to execute contracts with the three existing risk insurance providers to renew the liability insurance policies expiring on December 31, 2021. The total cost has increased by \$121,000 compared to last year. Property Insurance accounts for \$90,000 of the increase. This premium is going up, but the coverage remains the same.

There was a lower-cost provider but if we opt for the lower-cost provider our earthquake and flood insurance would be significantly reduced. Currently we have coverage of \$25,000,000, the lower-cost option would be \$13,000,000 and \$11,000,000. This is why the lower-cost provider is not being recommended.

Ald. Payleitner thanked Colleen for the thorough executive summary.

Ald. Bancroft asked if Colleen is happy with Assurance and their efforts?
Colleen stated she is very happy with them.

Ald. Weber asked about the number of claims in the past 5 years. Colleen provided the information.

Motion by Ald. Wirball, second by Ald. Pietryla to Recommend the authorization of the Assistant Finance Director to execute the risk insurance program renewal for the year beginning December 1, 2021, in the amount of \$845,794.

Roll Call: Ayes: Ald. Pietryla, Ald. Wirball, Ald. Bessner, Ald. Weber, Ald. Balla, Ald. Payleitner, Ald. Bongard; Ald. Bancroft, Ald. Lencioni. Nays: None. Chairman Silkaitis did not vote as Chair.

Motion Carried.

b. Recommendation to approve the recommended 2021 Property Tax Levy for SSA 1A; SSA 1B; SSA 5; SSA 6; SSA 7; SSA 10; SSA 13; SSA 21; and SSA 57.

Colleen Lavery talked about nine special service areas in the City that receive additional services to what is generally provided in the City. These services include, upkeep of parking facilities in SSA 1A, Provision of economic development and promotional activities in SSA 1B, and the maintenance of stormwater detention and retention areas in the other seven SSA's listed. In order to recapture the additional costs of these extra services, a special service area property tax is levied only for those residents benefiting from the additional services. The recommended tax levy amounts are the same as the prior fiscal year.

Motion by Ald. Lencioni, second by Ald. Bancroft to recommend the approval of the recommended 2021 Property Tax Levy for SSA 1A; SSA 1B; SSA 5; SSA 6; SSA 7; SSA 10; SSA 13; SSA 21; and SSA 57.

Roll Call: Ayes: Ald. Pietryla, Ald. Wirball, Ald. Bessner, Ald. Weber, Ald. Balla, Ald. Payleitner, Ald. Bongard; Ald. Bancroft, Ald. Lencioni. Nays: None. Chairman Silkaitis did not vote as Chair.

Motion Carried.

c. Recommendation to approve the Preliminary Estimate of 2021 Property Tax Levy in the amount of \$24,576,475.

Heather McGuire explained that it is a requirement that the City Council review and approve the property tax levy extended to residents and property owners.

For the past ten years, the levy has been held flat and based on a dollar amount; this is because when revenues and EAV declined in 2009, it was a way to ensure the City didn't lose any of the reliable revenue streams. The EAV increased, and nothing was changed.

The City has not kept up with the inflationary amounts, and the cost of services and business is increasing. It's necessary to find reliable revenue streams.

Because of the income received from the CARES Act, and some capital replacement programs that were not funded, it seemed as though there was a surplus at the end of the last fiscal year; this cannot continue. Eventually, we will have to start cutting services or replacements schedules such as vehicles for Police Officers and Fire Department equipment. The other alternative would be to cut service levels relied on by residents. We must be able to maintain these service levels and offerings we have in the City, and this is a way to do that. Thirty percent of our general fund operations comes from property taxes, and we need to make sure this is a reliable source of revenue for the City.

The credit rating agencies recommend that we have sources of revenue that are not subject to the whims of purchasers. This is a way to achieve that.

Something that needs to monitor is the increase in cost in some debt service payments. The payments continue to escalate for some of the projects we've had to take on for infrastructure improvements. This will continue to escalate for the next several years, and we will have to dedicate more of our funding sources to this.

Heather introduced Nick Narducci, Financial Consultant, who presented the specifics of the dollar amounts of the property tax levy recommended.

Ald. Wirball asked where the 4.99% came from for the tax levy. Heather explained that 4.99% is the limit the City can capture, and because the additional revenue hasn't been captured for the last 10 years the 4.99% was chosen.

Ald. Weber expressed his support of this increase.

Ald. Bessner asked if this will be a yearly or monthly increase. Heather stated it's yearly.

Ald. Wirball would like to wait and see what the new economic development director will bring to the community, sales tax revenue should increase, and would like to see how it works out before raising the levy.

Ald. Pietryla agreed with Ald. Wirball.

Ald. Lencioni said there is lot to consider and if taxes are going to be raised, he needs more information.

Ald. Bancroft said he is leaning towards supporting the increase but would like more information to support the request.

Ald. Bongard stated that based upon the cost of doing business, he would most likely be in support, but what we're trying to accomplish needs to be made clear.

Ald. Payleitner agreed it's time for this but would like the reasoning behind the request.

Ald. Balla asked if the increase in the EAV was voted on last year?

Heather said it was most likely a staff recommendation. He noted that there should have been the foresight 6-7 years ago to start levying taxes.

Further discussion about the tax levy and decisions about the process was had.

The decision was made to hold a Government Operations Committee meeting on November 8, 2021. Staff will present further information to support this item.

7. Additional Items from Mayor, Council, Staff, or Citizens.

8. Executive Session

- Personnel – 5 ILCS 120/2(c)(1)
- Pending Litigation – 5 ILCS 120/2(c)(11)
- Probable or Imminent Litigation – 5 ILCS 120/2(c)(11)
- Property Acquisition – 5 ILCS 120/2(c)(5)
- Collective Bargaining – 5 ILCS 120/2(c)(2)
- Review of Executive Session Minutes – 5 ILCS 120/2(c)(21)

9. Adjournment

Motion by Ald. Weber, second by Ald. Wirball to adjourn the meeting at 8:30 pm.

Roll Call: Ayes: Ald. Pietryla, Ald. Wirball, Ald. Bessner, Ald. Weber, Ald. Balla, Ald. Payleitner, Ald. Bongard; Ald. Bancroft, Ald. Lencioni. Nays: None. Chairman Silkaitis did not vote as Chair.

Motion Carried.

:tc